

103D CONGRESS  
1ST SESSION

# S. 1124

To enhance credit availability by streamlining Federal regulations applicable to financial institutions, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 17 (legislative day, JUNE 15), 1993

Mr. D'AMATO (for himself, Mr. BOND, Mr. SHELBY, Mr. BENNETT, Mr. DOMENICI, and Mr. MACK) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To enhance credit availability by streamlining Federal regulations applicable to financial institutions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Depository Institutions Regulatory Improvements Act of  
6 1993”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Incorporated definitions.

## TITLE I—REGULATORY IMPROVEMENTS

### Subtitle A—Reduction of Regulatory Burdens

- Sec. 101. Regulation of real estate lending.
- Sec. 102. Real estate appraisal amendment.
- Sec. 103. Public deposits.
- Sec. 104. Transition periods for new regulations.
- Sec. 105. Annual examinations.
- Sec. 106. Coordinated examinations.
- Sec. 107. Reduction of reports of condition burdens.
- Sec. 108. Branch closures.
- Sec. 109. Bank Secrecy Act.
- Sec. 110. Minimizing regulatory burdens.
- Sec. 111. Repeal of outdated statutory provision.
- Sec. 112. Elimination of duplicative disclosures for home equity loans.
- Sec. 113. Unauthorized electronic fund transfers.
- Sec. 114. Homeownership debt counseling notification.
- Sec. 115. Clarification of disclosure requirements.
- Sec. 116. Exemption of business loans.
- Sec. 117. Effective date for inter-affiliate transactions.

### Subtitle B—Studies and Reports

- Sec. 151. Report on capital standards and their impact on the economy.
- Sec. 152. Sterile reserves studies.
- Sec. 153. Paperwork reduction review.
- Sec. 154. Regulatory review of capital compliance burden.
- Sec. 155. Streamlined lending process for consumer benefit.

## TITLE II—ENHANCED CREDIT AVAILABILITY AND DEPOSIT INSURANCE PROTECTION

- Sec. 201. Enhanced credit availability and deposit insurance protection.

## TITLE III—TECHNICAL AND CONFORMING AMENDMENTS

- Sec. 301. Transferred deposits.
- Sec. 302. Technical amendment.
- Sec. 303. Certified statements.
- Sec. 304. Cross reference correction.
- Sec. 305. Court costs; bonds; filing fees.
- Sec. 306. Deletion of obsolete provision.
- Sec. 307. Federal Reserve Act amendment.
- Sec. 308. Annual report of Appraisal Subcommittee.
- Sec. 309. Insurance of bridge banks.
- Sec. 310. Additional technical amendments to the Federal banking and housing laws.

## 1 **SEC. 2. INCORPORATED DEFINITIONS.**

2 Unless otherwise specifically provided in title I of this

3 Act, for purposes of title I of this Act—

(1) the terms “appropriate Federal banking agency”, “Federal banking agencies”, and “insured depository institution” have the same meanings as in section 3 of the Federal Deposit Insurance Act; and

(2) the term “insured credit union” has the same meaning as in section 101 of the Federal Credit Union Act.

## **TITLE I—REGULATORY IMPROVEMENTS**

### **Subtitle A—Reduction of Regulatory Burdens**

#### **SEC. 101. REGULATION OF REAL ESTATE LENDING.**

Section 18(o) of the Federal Deposit Insurance Act (12 U.S.C. 1828(o)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

“(4) CONSIDERATION OF PARTICULAR IMPACT.—In prescribing standards under paragraph (1), each appropriate Federal banking agency shall—

“(A) consider the impact that such standards have on the availability of credit for small

1 business, residential, and agricultural purposes,  
2 and on low- and moderate-income communities;  
3 and

4 “(B) to the extent possible, consistent with  
5 safety and soundness principles, seek to mini-  
6 mize the effect that such standards have in re-  
7 ducing the availability of credit for such pur-  
8 poses and in such areas.”.

9 **SEC. 102. REAL ESTATE APPRAISAL AMENDMENT.**

10 Section 1122 of the Financial Institutions Reform,  
11 Recovery, and Enforcement Act of 1989 (12 U.S.C. 3351)  
12 is amended—

13 (1) by redesignating subsections (b) through (e)  
14 as subsections (c) through (f), respectively;

15 (2) by inserting after subsection (a) the follow-  
16 ing new subsection:

17 “(b) RECIPROCITY.—The Appraisal Subcommittee  
18 shall encourage the States to develop reciprocity agree-  
19 ments so as to readily authorize appraisers that are li-  
20 censed or certified in one State (and that are in good  
21 standing with their State appraiser certifying or licensing  
22 regulatory body) to perform appraisals in other States.”;  
23 and

24 (3) in subsection (a)—

1 (A) by redesignating paragraphs (1)  
2 through (3) as subparagraphs (A) through (C);

3 (B) by striking “A State” and inserting  
4 the following:

5 “(1) IN GENERAL.—A State”; and

6 (C) by adding at the end the following new  
7 paragraph:

8 “(2) FEES FOR TEMPORARY PRACTICE.—A  
9 State appraiser certifying or licensing regulatory  
10 body shall not impose excessive fees or burdensome  
11 requirements for temporary practice under this sub-  
12 section, as determined by the Appraisal Subcommit-  
13 tee.”.

14 **SEC. 103. PUBLIC DEPOSITS.**

15 Section 13(e) of the Federal Deposit Insurance Act  
16 (12 U.S.C. 1823(e)) is amended—

17 (1) by redesignating paragraphs (1) through  
18 (4) as subparagraphs (A) through (D), respectively;

19 (2) by striking “No agreement” and inserting  
20 the following:

21 “(1) IN GENERAL.—No agreement”; and

22 (3) by adding at the end the following new  
23 paragraph:

24 “(2) EXCEPTION.—Agreements to provide for  
25 the collateralization of or security for deposits made

1 by Federal, State, or local governmental entities  
2 shall not be deemed invalid under paragraph (1)  
3 solely because the agreements were not made con-  
4 temporaneously with the acceptance of the deposit.”.

5 **SEC. 104. TRANSITION PERIODS FOR NEW REGULATIONS.**

6 In determining the effective date for regulations that  
7 impose additional reporting, disclosure, or other require-  
8 ments on insured depository institutions, each Federal  
9 banking agency shall consider—

10 (1) the administrative burden that will be  
11 placed on the depository institution;

12 (2) the ability of depository institutions of dif-  
13 ferent sizes to meet the requirements imposed by the  
14 new regulations, giving particular consideration to  
15 the more limited resources of smaller depository in-  
16 stitutions; and

17 (3) the time needed by the depository institu-  
18 tions to generate new computer forms or systems,  
19 set up new internal systems, and hire or train per-  
20 sonnel to comply with the new regulation.

21 **SEC. 105. ANNUAL EXAMINATIONS.**

22 Section 10(d) of the Federal Deposit Insurance Act  
23 (12 U.S.C. 1820(d)) is amended—

24 (1) by striking paragraphs (3) and (4) and in-  
25 serting the following:

1           “(3) STATE EXAMINATIONS ACCEPTABLE.—The  
2           examinations required by paragraph (1) may be sat-  
3           isfied by an examination of the insured depository  
4           institution conducted by the State during the 12-  
5           month period, if the appropriate Federal banking  
6           agency determines that the State examination car-  
7           ries out the purposes of this subsection.

8           “(4) 2-YEAR RULE FOR CERTAIN SMALL INSTI-  
9           TUTIONS.—

10           “(A) IN GENERAL.—Paragraphs (1), (2),  
11           and (3) shall apply with ‘24-month’ substituted  
12           for ‘12-month’ if—

13                   “(i) the insured depository institution  
14                   has total assets of less than \$250,000,000;

15                   “(ii) the institution is well capitalized,  
16                   as defined in section 38;

17                   “(iii) when the institution was most  
18                   recently examined, it was found to be well  
19                   managed, and its composite condition was  
20                   found to be outstanding;

21                   “(iv) the insured depository institu-  
22                   tion is not currently subject to a formal  
23                   enforcement proceeding or order by the  
24                   Corporation or the appropriate Federal  
25                   banking agency; and

1           “(v) no person acquired control of the  
2           institution during the 12-month period in  
3           which a full-scope, onsite examination  
4           would be required, but for this paragraph.

5           “(B) ADJUSTMENT REQUIRED.—The dol-  
6           lar amount referred to in subparagraph (A)(i)  
7           shall be adjusted annually after December 31,  
8           1993, by the annual percentage increase in the  
9           Consumer Price Index for Urban Wage Earners  
10          and Clerical Workers published by the Bureau  
11          of Labor Statistics.”; and

12          (2) by adding at the end the following new  
13          paragraph:

14          “(6) CERTAIN INSTITUTIONS WITHIN DEPOSI-  
15          TORY INSTITUTION HOLDING COMPANIES.—At the  
16          discretion of the appropriate Federal banking agen-  
17          cy, an insured depository institution controlled by a  
18          depository institution holding company shall be ex-  
19          empt from the requirements of this subsection if—

20                 “(A) the agency is satisfied that adequate  
21                 internal controls and examination procedures  
22                 exist within the holding company structure; or

23                 “(B) the insured depository institutions  
24                 controlled by the holding company which rep-  
25                 resent a substantial majority of the total assets



1 of all of the insured depository institution as-  
2 sets controlled by that holding company have  
3 been examined pursuant to the requirements of  
4 this subsection.”.

5 **SEC. 106. COORDINATED EXAMINATIONS.**

6 (a) COORDINATED FEDERAL AND STATE EXAMINA-  
7 TIONS.—Section 10(d) of the Federal Deposit Insurance  
8 Act (12 U.S.C. 1820(d)) is amended by adding at the end  
9 the following new paragraph:

10 “(7) COORDINATED EXAMINATIONS.—To mini-  
11 mize the disruptive effects of examinations on the  
12 operations of depository institutions, each appro-  
13 priate Federal banking agency shall, to the extent  
14 practicable—

15 “(A) coordinate all examinations to be con-  
16 ducted by that agency at an insured depository  
17 institution; and

18 “(B) work with other appropriate Federal  
19 banking agencies and appropriate State bank  
20 supervisors to coordinate examinations.”.

21 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
22 Section 3(r) of the Federal Deposit Insurance Act (12  
23 U.S.C. 1813(r)) is amended to read as follows:

24 “(r) STATE BANK SUPERVISOR.—The term ‘State  
25 bank supervisor’ means any officer, agency, or other entity

1 of any State that has primary regulatory authority over  
2 State banks or State savings associations in such State.”.

3 **SEC. 107. REDUCTION OF REPORTS OF CONDITION BUR-**  
4 **DENS.**

5 (a) REGULATORY REVIEW OF CALL REPORT BUR-  
6 DENS.—

7 (1) IN GENERAL.—Not later than 180 days  
8 after the date of enactment of this Act, the Federal  
9 Financial Institutions Examination Council shall re-  
10 view the regulatory burden and costs incurred by in-  
11 sured depository institutions and insured credit  
12 unions in preparing reports of condition.

13 (2) FACTORS TO BE CONSIDERED.—In conduct-  
14 ing its review, each appropriate Federal banking  
15 agency shall consider all relevant factors that it  
16 deems necessary to correctly determine the extent of  
17 the burden and costs, including—

18 (A) the dollar cost to insured depository  
19 institutions and insured credit unions in prepar-  
20 ing such reports;

21 (B) the time and resources expended to  
22 meet regulatory directives;

23 (C) the frequency with which the agency  
24 has modified the type of information required  
25 to be reported in such reports and the costs and

1 burdens associated with complying with such  
2 modifications; and

3 (D) the extent to which such costs and  
4 burdens, viewed within the overall context of  
5 the total regulatory costs incurred by the insti-  
6 tution, impact upon the availability of credit.

7 (3) CORRECTIVE MEASURES.—After conducting  
8 its review under paragraph (1), each appropriate  
9 Federal banking agency shall, consistent with safety  
10 and soundness principles, revise its call report re-  
11 quirements to remove any unnecessary burdens and  
12 costs.

13 (b) REPEAL OF PUBLICATION REQUIREMENTS.—

14 (1) NATIONAL BANKS.—Section 5211 of the  
15 Revised Statutes (12 U.S.C. 161) is amended—

16 (A) in the fifth sentence of subsection (a),  
17 by striking “; and the statement of resources  
18 and liabilities” and all that follows through “re-  
19 quired by the Comptroller”; and

20 (B) in subsection (c), by striking the  
21 fourth sentence.

22 (2) STATE NON-MEMBER INSURED BANKS.—  
23 Section 7(a)(1) of the Federal Deposit Insurance  
24 Act (12 U.S.C. 1817(a)(1)) is amended by striking  
25 the fourth sentence.

1           (3) FEDERAL RESERVE BANKS.—The last sen-  
2           tence of the sixth undesignated paragraph of section  
3           9 of the Federal Reserve Act (12 U.S.C. 324) is  
4           amended by striking “and shall be published” and  
5           all that follows through “may prescribe”.

6           (c) CHANGE IN FORM OF REPORT OF CONDITION.—

7           (1) NATIONAL BANKS.—Section 5211(a) of the  
8           Revised Statutes (12 U.S.C. 161(a)) is amended by  
9           adding at the end the following: “In determining the  
10          effective date for regulations issued under this sub-  
11          section, the Comptroller of the Currency shall con-  
12          sider the administrative burden that will be placed  
13          on the association, the ability of associations of dif-  
14          ferent sizes to meet the requirements of the new reg-  
15          ulations, giving particular consideration to the more  
16          limited resources of smaller associations, and the  
17          time required for the association to generate new  
18          computer forms or systems, set up new internal sys-  
19          tems, and hire or train personnel to comply with the  
20          new regulations.”.

21          (2) STATE NON-MEMBER INSURED BANKS.—  
22          Section 7(a) of the Federal Deposit Insurance Act  
23          (12 U.S.C. 1817(a)) is amended by adding at the  
24          end the following new paragraph:

1           “(11) CHANGE IN FORM OF REPORT OF CONDI-  
2           TION.—In determining the effective date for regula-  
3           tions issued under this subsection, the Board of Di-  
4           rectors shall consider—

5                   “(A) the administrative burden that will be  
6                   placed on the insured depository institution;

7                   “(B) the ability of depository institutions  
8                   of different sizes to meet the requirements of  
9                   the new regulations, giving particular consider-  
10                  ation to the more limited resources of smaller  
11                  depository institutions; and

12                  “(C) the time required for the depository  
13                  institution to generate new computer forms or  
14                  systems, set up new internal systems, and hire  
15                  or train personnel to comply with the new regu-  
16                  lations.”.

17           (3) STATE MEMBER BANKS.—The sixth undes-  
18           ignated paragraph of section 9 of the Federal Re-  
19           serve Act (12 U.S.C. 324) is amended by adding at  
20           the end the following: “In determining the effective  
21           date for regulations issued under this subsection, the  
22           Board of Governors of the Federal Reserve System  
23           shall consider the administrative burden that will be  
24           placed on the bank, the ability of banks of different  
25           sizes to meet the requirements of the new regula-

1 tions, giving particular consideration to the more  
2 limited resources of smaller banks, and the time re-  
3 quired for the bank to generate new computer forms  
4 or systems, set up new internal systems, and hire or  
5 train personnel to comply with the new regula-  
6 tions.”.

7 (4) SAVINGS ASSOCIATIONS.—Section 5(v) of  
8 the Home Owners’ Loan Act (12 U.S.C. 1464(v)) is  
9 amended by adding at the end the following new  
10 paragraph:

11 “(9) CHANGES IN FORM OF REPORT OF CONDI-  
12 TION.—In determining the effective date for regula-  
13 tions issued under this subsection, the Director shall  
14 consider—

15 “(A) the administrative burden that will be  
16 placed on the savings association;

17 “(B) the ability of savings associations of  
18 different sizes to meet the requirements of the  
19 new regulations, giving particular consideration  
20 to the more limited resources of smaller savings  
21 associations; and

22 “(C) the time required for the savings as-  
23 sociation to generate new computer forms or  
24 systems, set up new internal systems, and hire

1 or train personnel to comply with the new regu-  
2 lations.”.

3 **SEC. 108. BRANCH CLOSURES.**

4 (a) DEFINITION OF “BRANCH”.—Section 42 of the  
5 Federal Deposit Insurance Act (12 U.S.C. 1831r–1) is  
6 amended by adding at the end the following new sub-  
7 section:

8 “(d) DEFINITIONS.—For purposes of this section, the  
9 term ‘branch’ does not include—

10 “(1) an automated teller machine;

11 “(2) a branch acquired through merger, consoli-  
12 dation, purchase, assumption, or similar method, if  
13 such branch is located in a local market area cur-  
14 rently served by another branch of the acquiring in-  
15 stitution;

16 “(3) a branch that is closed and reopened in  
17 another location within the same local market area  
18 that would continue to provide banking services to  
19 substantially all of the customers served by the  
20 branch that is closed; or

21 “(4) a branch that is closed in connection  
22 with—

23 “(A) the sale of an insured depository in-  
24 stitution in default, for which the Corporation

1 or the Resolution Trust Corporation has been  
2 appointed as receiver;

3 “(B) an emergency acquisition under—

4 “(i) section 11(n); or

5 “(ii) subsections (f) or (k) of section  
6 13; or

7 “(C) any assistance provided by the Cor-  
8 poration under section 13(c).”.

9 (b) EFFECTIVE DATE.—The amendments made by  
10 this section shall have the same effective date as section  
11 42 of the Federal Deposit Insurance Act.

12 **SEC. 109. BANK SECRECY ACT.**

13 (a) STAFF COMMENTARIES.—Chapter 53 of title 31,  
14 United States Code, is amended by adding at the end the  
15 following new section:

16 **“SEC. 5329. STAFF COMMENTARIES.**

17 “The Secretary of the Treasury shall review all regu-  
18 lations promulgated under this subchapter on an annual  
19 basis and seek comment from the public pursuant to this  
20 review. The Secretary shall publish, on an annual basis,  
21 all written rulings interpreting this subchapter, as well as  
22 a staff commentary to the regulations issued under this  
23 subchapter.”.

24 (b) EXEMPTION PROCESS.—Section 5318(a)(5) of  
25 title 31, United States Code, is amended—



1           (1) by inserting “or exception” after “an appro-  
2       pate exemption”; and

3           (2) by inserting the following before the first  
4       period: “after receiving comments from the entities  
5       covered by this subchapter. The Secretary shall take  
6       into account the effect that changes to the exemp-  
7       tion or exception process will have on the cost and  
8       efficiency of the reporting process”.

9       (c) INFLATION ADJUSTMENTS ON CTR AMOUNTS.—  
10   Section 5313(a) of title 31, United States Code, is amend-  
11   ed by adding at the end the following: “The Secretary  
12   shall review the reporting requirements of this subsection  
13   not later than September 1 of each year to determine if  
14   the reporting amount prescribed by the Secretary should  
15   be adjusted to account for inflation, the cost effectiveness  
16   of the requirement, or the usefulness of the requirement  
17   for law enforcement purposes. The Secretary shall submit  
18   a written report to the Congress in each year during which  
19   a change is made, disclosing how the reporting threshold  
20   decision was reached. The report shall include an analysis  
21   of how the change will affect domestic financial institu-  
22   tions.”.

1 **SEC. 110. MINIMIZING REGULATORY BURDENS.**

2 Section 7(a) of the Federal Deposit Insurance Act  
3 (12 U.S.C. 1817(a)) is amended by adding at the end the  
4 following new paragraph:

5 “(12) MINIMIZING REGULATORY BURDENS.—In  
6 prescribing reporting and other requirements pursu-  
7 ant to this subsection, the Federal banking agencies  
8 shall minimize the regulatory burden imposed upon  
9 insured depository institutions, consistent with safe-  
10 ty and soundness principles.”.

11 **SEC. 111. REPEAL OF OUTDATED STATUTORY PROVISION.**

12 Section 5204 of the Revised Statutes (12 U.S.C. 56)  
13 is amended—

14 (1) in the second sentence, by striking “deduct-  
15 ing therefrom its losses and bad debts” and insert-  
16 ing “subject to other provisions of law”; and

17 (2) by striking the third sentence.

18 **SEC. 112. ELIMINATION OF DUPLICATIVE DISCLOSURES**  
19 **FOR HOME EQUITY LOANS.**

20 Section 4(a) of the Real Estate Settlement Proce-  
21 dures Act (12 U.S.C. 2603(a)) is amended by adding at  
22 the end the following: “Disclosures made under section  
23 127A(a) of the Truth in Lending Act may be used in lieu  
24 of the standard real estate settlement form otherwise re-  
25 quired under this section in the case of federally related

1 mortgage loans secured by a subordinate lien on residen-  
 2 tial property.”.

3 **SEC. 113. UNAUTHORIZED ELECTRONIC FUND TRANSFERS.**

4 Section 909(a)(1) of Electronic Fund Transfer Act  
 5 (15 U.S.C. 1693g(a)(1)) is amended to read as follows:

6 “(1) \$50, or in cases where the cardholder has  
 7 substantially contributed to the unauthorized use by  
 8 writing a personal identification or other security  
 9 code on the card, \$500; or”.

10 **SEC. 114. HOMEOWNERSHIP DEBT COUNSELING NOTIFICA-**  
 11 **TION.**

12 Section 106(c)(5)(B) of the Housing and Urban De-  
 13 velopment Act of 1968 (12 U.S.C. 1701x(c)(5)(B)) is  
 14 amended—

15 (1) by redesignating clauses (i) and (ii) as  
 16 subclauses (I) and (II), respectively;

17 (2) by striking “The notification” and inserting  
 18 the following:

19 “(i) IN GENERAL.—The notification”;

20 and

21 (3) by adding at the end the following:

22 “(ii) ONCE YEARLY REQUIREMENT  
 23 FOR CREDITORS.—Creditors shall not be  
 24 required to provide the notification re-

1           quired under subparagraph (A) more than  
2           once annually.”.

3 **SEC. 115. CLARIFICATION OF DISCLOSURE REQUIREMENTS.**

4       Section 6(a) of the Real Estate Settlement Proce-  
5       dures Act of 1974 (12 U.S.C. 2605(a)) is amended—

6           (1) in paragraph (1)(B)—

7               (A) by redesignating clauses (i) and (ii) as  
8               subclauses (I) and (II), respectively;

9               (B) by striking “and” at the end of  
10              subclause (II), as so redesignated, and inserting  
11              “or”;

12              (C) by striking “for each” and inserting  
13              the following: “at the option of the person mak-  
14              ing the federally related mortgage loan—

15                      “(i) for each”; and

16              (D) by adding at the end the following new  
17              clause:

18                      “(ii) a statement that the person mak-  
19                      ing the loan has previously assigned, sold,  
20                      or transferred the servicing of federally re-  
21                      lated mortgage loans; and”;

22           (2) in paragraph (2), by adding at the end the  
23           following: “The Secretary shall permit the person  
24           originating the loan, at the option of such person, to  
25           provide a statement that the servicing may be as-

1 signed, sold, or transferred during the 12-month pe-  
 2 riod beginning upon origination in lieu of the per-  
 3 centage estimates otherwise required to be disclosed  
 4 under this paragraph.”.

5 **SEC. 116. EXEMPTION OF BUSINESS LOANS.**

6 The Real Estate Settlement Procedures Act of 1974  
 7 (12 U.S.C. 2601 et seq.) is amended by inserting after  
 8 section 6 the following new section:

9 **“SEC. 7. EXEMPTED TRANSACTIONS.**

10 “This title does not apply to credit transactions in-  
 11 volving extensions of credit—

12 “(1) primarily for business, commercial, or ag-  
 13 ricultural purposes; or

14 “(2) to government or governmental agencies or  
 15 instrumentalities.”.

16 **SEC. 117. EFFECTIVE DATE FOR INTER-AFFILIATE TRANS-**  
 17 **ACTIONS.**

18 Section 11(a)(2) of the Home Owners’ Loan Act (12  
 19 U.S.C. 1468(a)(2)) is amended by adding at the end the  
 20 following new subparagraphs:

21 “(C) TRANSITION RULE FOR WELL CAP-  
 22 ITALIZED SAVINGS ASSOCIATIONS.—

23 “(i) IN GENERAL.—A savings associa-  
 24 tion that is well capitalized (as defined in  
 25 section 38 of the Federal Deposit Insur-

ance Act), as determined without including goodwill in calculating core capital, shall be treated as a bank for purposes of section 23A(d)(1) and section 23B of the Federal Reserve Act.

“(ii) LIABILITY OF COMMONLY CONTROLLED DEPOSITORY INSTITUTIONS.— Any savings association that engages under clause (i) in a transaction that would not otherwise be permissible under this subsection, and any affiliated insured bank that is commonly controlled (as defined in section 5(e)(9) of the Federal Deposit Insurance Act), shall be subject to subsection (e) of section 5 of the Federal Deposit Insurance Act as if paragraph (6) of that subsection did not apply.”.

## **Subtitle B—Studies and Reports**

### **SEC. 151. REPORT ON CAPITAL STANDARDS AND THEIR IMPACT ON THE ECONOMY.**

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Treasury, after consultation with the Federal banking agencies, shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Bank-

1 ing, Finance and Urban Affairs of the House of Rep-  
2 resentatives on the effect of the implementation of risk  
3 based capital standards on—

4 (1) the safety and soundness of insured deposi-  
5 tory institutions; and

6 (2) the availability of credit, particularly to con-  
7 sumers and small business concerns.

8 (b) RECOMMENDATIONS.—The report required by  
9 subsection (a) shall contain any recommendations that the  
10 Secretary of the Treasury considers relevant.

11 **SEC. 152. STERILE RESERVES STUDIES.**

12 (a) FEDERAL RESERVE STUDY.—Not later than 180  
13 days after the date of enactment of this Act, the Board  
14 of Governors of the Federal Reserve System, in consulta-  
15 tion with the Chairperson of the Federal Deposit Insur-  
16 ance Corporation, shall conduct a study and report to Con-  
17 gress on—

18 (1) the necessity, for monetary policy purposes,  
19 of continuing to require insured depository institu-  
20 tions to maintain sterile reserves;

21 (2) the appropriateness of paying a market rate  
22 of interest to insured depository institutions on ster-  
23 ile reserves or, in the alternative, providing payment  
24 of this interest into the appropriate deposit insur-  
25 ance fund;

1           (3) the monetary impact that the failure to pay  
2           interest on sterile reserves has had on insured depos-  
3           itory institutions, including an estimate of the total  
4           dollar amount of interest and potential income lost  
5           by insured depository institutions; and

6           (4) the impact that failure to pay interest on  
7           sterile reserves has had on the ability of the banking  
8           industry to compete with nonbanking providers of fi-  
9           nancial services and with foreign banks.

10          (b) BUDGETARY IMPACT STUDY.—Not later than  
11       180 days after the date of enactment of this Act, the Di-  
12       rector of the Office of Management and Budget and the  
13       Congressional Budget Office, in consultation with the  
14       Committees on the Budget of the Senate and the House  
15       of Representatives, shall jointly conduct a study and re-  
16       port to the Congress on the budgetary impact of—

17               (1) paying a market rate of interest to insured  
18               depository institutions on sterile reserves; and

19               (2) paying such interest into the respective  
20               deposit insurance funds.

21       **SEC. 153. PAPERWORK REDUCTION REVIEW.**

22           Each appropriate Federal banking agency, in con-  
23       sultation with insured depository institutions and other in-  
24       terested parties, shall—



1           (1) not later than 180 days after the date of  
2           enactment of this Act, conduct a review of the extent  
3           to which current regulations require insured deposi-  
4           tory institutions to produce unnecessary internal  
5           written policies; and

6           (2) take prompt steps to eliminate such require-  
7           ments, where appropriate.

8   **SEC. 154. REGULATORY REVIEW OF CAPITAL COMPLIANCE**  
9                           **BURDEN.**

10          Not later than 180 days after the date of enactment  
11          of this Act, the Federal Financial Institutions Examina-  
12          tion Council, in consultation with insured depository insti-  
13          tutions and other interested parties, shall—

14               (1) review the extent to which current compli-  
15               ance requirements associated with risk-based capital  
16               rules have an unnecessarily costly and burdensome  
17               effect on community banks; and

18               (2) where appropriate, reduce such costs and  
19               burdens.

20   **SEC. 155. STREAMLINED LENDING PROCESS FOR**  
21                           **CONSUMER BENEFIT.**

22          (a) **FEDERAL RESERVE STUDY.**—Not later than 12  
23          months after the date of enactment of this Act, the Board  
24          of Governors of the Federal Reserve System (hereafter in  
25          this section referred to as the ‘Board’), in consultation

1 with the Secretary of Housing and Urban Development,  
2 shall conduct a study and report to the Congress on ways  
3 to streamline the credit-granting process.

4 (b) FOCUS.—In carrying out subsection (a), the  
5 Board shall—

6 (1) identify ways to streamline the home mort-  
7 gage, small business, and consumer lending proc-  
8 esses to—

9 (A) reduce consumer inconvenience, cost,  
10 and time delays; and

11 (B) minimize cost and burdens on insured  
12 depository institutions and credit unions;

13 (2) take such regulatory action as appropriate,  
14 consistent with safety and soundness principles, to  
15 meet the objectives of paragraph (1); and

16 (3) provide to the Congress legislative rec-  
17 ommendations on changes necessary to carry out  
18 this section.

19 (c) COMMENT.—In carrying out this section, the  
20 Board shall solicit comments from other Federal banking  
21 agencies, consumer groups, insured depository institu-  
22 tions, credit unions, and other interested parties.

1 **TITLE II—ENHANCED CREDIT**  
2 **AVAILABILITY AND DEPOSIT**  
3 **INSURANCE PROTECTION**

4 **SEC. 201. ENHANCED CREDIT AVAILABILITY AND DEPOSIT**  
5 **INSURANCE PROTECTION.**

6 (a) CERCLA AMENDMENT.—The Comprehensive  
7 Environmental Response, Compensation, and Liability Act  
8 of 1980 (42 U.S.C. 9601 et seq.) is amended by inserting  
9 after section 126 the following new section:

10 **“SEC. 127. INSURED DEPOSITORY INSTITUTION AND OTHER**  
11 **LENDER LIABILITY.**

12 “(a) LIABILITY LIMITATIONS.—

13 “(1) IN GENERAL.—The liability of an insured  
14 depository institution or other lender under this Act  
15 or subtitle I of the Solid Waste Disposal Act for the  
16 release or threatened release of petroleum or a haz-  
17 ardous substance at, from, or in connection with  
18 property—

19 “(A) acquired through foreclosure;

20 “(B) held, directly or indirectly, in a fidu-  
21 ciary capacity;

22 “(C) held by a lessor pursuant to the  
23 terms of an extension of credit; or

1           “(D) subject to financial control or finan-  
2           cial oversight pursuant to the terms of an ex-  
3           tension of credit,

4           shall be limited to the actual benefit conferred on  
5           such institution or lender by a removal, remedial, or  
6           other response action undertaken by another party.

7           “(2) SAFE HARBOR.—An insured depository in-  
8           stitution or other lender shall not be liable under  
9           this Act or subtitle I of the Solid Waste Disposal  
10          Act and shall not be deemed to have participated in  
11          management, as described in section 101(20)(A) of  
12          this Act or section 9003(h)(9) of the Solid Waste  
13          Disposal Act, based solely on the fact that the insti-  
14          tution or lender—

15               “(A) holds a security interest or abandons  
16               or releases its security interest in the property  
17               before foreclosure;

18               “(B) has the unexercised capacity to influ-  
19               ence operations at or on property in which it  
20               has a security interest;

21               “(C) includes in the terms of an extension  
22               of credit (or in the contract relating thereto),  
23               covenants, warranties, or other terms and con-  
24               ditions that relate to compliance with environ-  
25               mental laws;

1           “(D) monitors or enforces the terms and  
2 conditions of the extension of credit;

3           “(E) monitors or undertakes one or more  
4 inspections of the property;

5           “(F) requires cleanup of the property prior  
6 to, during, or upon the expiration of the term  
7 of the extension of credit;

8           “(G) provides financial or other advice or  
9 counseling in an effort to mitigate, prevent, or  
10 cure default or diminution in the value of the  
11 property;

12           “(H) restructures, renegotiates, or other-  
13 wise agrees to alter the terms and conditions of  
14 the extension of credit;

15           “(I) exercises whatever other remedies that  
16 may be available under applicable law for the  
17 breach of any term or condition of the extension  
18 of credit; or

19           “(J) declines to take any of the actions de-  
20 scribed in this paragraph.

21       “(b) ACTUAL BENEFIT.—For purposes of this sec-  
22 tion, the actual benefit conferred on an institution or lend-  
23 er by a removal, remedial, or other response action shall  
24 be equal to the net gain, if any, realized by such institution  
25 or lender due to such action. For purposes of this sub-

1 section, the ‘net gain’ shall not exceed the amount realized  
2 by the institution or lender on the sale of property.

3 “(c) EXCLUSION.—Notwithstanding subsection (a),  
4 but subject to the provisions of section 107(d), a deposi-  
5 tory institution or lender that causes or significantly and  
6 materially contributes to the release of petroleum or a haz-  
7 ardous substance that forms the basis for liability de-  
8 scribed in subsection (a), may be liable for removal, reme-  
9 dial, or other response action pertaining to that release.

10 “(d) ENVIRONMENTAL ASSESSMENTS.—

11 “(1) DEPOSITORY INSTITUTIONS.—The Federal  
12 Deposit Insurance Corporation, in consultation with  
13 the Administrator of the Environmental Protection  
14 Agency, shall promulgate regulations to implement  
15 this section. Such regulations shall include require-  
16 ments for insured depository institutions to develop  
17 and implement adequate procedures to evaluate ac-  
18 tual and potential environmental risks that may  
19 arise from or at property prior to making an exten-  
20 sion of credit secured by such property. The regula-  
21 tions may provide for different types of environ-  
22 mental assessments as may be appropriate under the  
23 circumstances, in order to account for the levels of  
24 risk that may be posed by different classes of collat-  
25 eral. Failure to comply with the environmental as-

1        assessment regulations promulgated under this sub-  
2        section shall be deemed to be a violation of a regula-  
3        tion promulgated under the Federal Deposit Insur-  
4        ance Act.

5            “(2) LENDERS.—The Federal Deposit Insur-  
6        ance Corporation, in consultation with the Adminis-  
7        trator of the Environmental Protection Agency, shall  
8        promulgate regulations that are substantially similar  
9        to those promulgated under paragraph (1) to assure  
10       that lenders develop and implement procedures to  
11       evaluate actual and potential environmental risks  
12       that may arise from or at property prior to making  
13       an extension of credit secured by such property. The  
14       regulations may provide for exclusions or different  
15       types of environmental assessments in order to take  
16       into account the level of risk that may be posed by  
17       particular classes of collateral.

18           “(3) FINAL REGULATIONS.—Final regulations  
19        required to be promulgated pursuant to paragraphs  
20        (1) and (2) shall be issued not later than 180 days  
21        after the date of enactment of this section.

22           “(e) DEFINITIONS.—For purposes of this section, the  
23        following definitions shall apply:

24           “(1) PROPERTY ACQUIRED THROUGH FORE-  
25        CLOSURE.—The term ‘property acquired through

1 foreclosure’ or ‘acquires property through fore-  
2 closure’ means property acquired, or the act of ac-  
3 quiring property, from a nonaffiliated party by an  
4 insured depository institution or other lender—

5 “(A) through purchase at sales under  
6 judgment or decree, power of sales, nonjudicial  
7 foreclosure sales, or from a trustee, deed in lieu  
8 of foreclosure, or similar conveyance, or  
9 through repossession, if such property was secu-  
10 rity for an extension of credit previously con-  
11 tracted;

12 “(B) through conveyance pursuant to an  
13 extension of credit previously contracted, in-  
14 cluding the termination of a lease agreement; or

15 “(C) through any other formal or informal  
16 manner by which the insured depository institu-  
17 tion or other lender temporarily acquires, for  
18 subsequent disposition, possession of collateral  
19 in order to protect its interest.

20 Property is not acquired through foreclosure if the  
21 insured depository institution or lender does not seek  
22 to sell or otherwise divest such property at the earli-  
23 est practical, commercially reasonable time, taking  
24 into account market conditions and legal and regu-  
25 latory requirements.



1 “(2) LENDER.—The term ‘lender’ means—

2 “(A) a person (other than an insured de-  
3 pository institution) that—

4 “(i) makes a bona fide extension of  
5 credit to a nonaffiliated party; and

6 “(ii) substantially and materially com-  
7 plies with the environmental assessment  
8 requirements imposed under subsection  
9 (d), after final regulations under that sub-  
10 section become effective;

11 and the successors and assigns of such person;

12 “(B) the Federal National Mortgage Asso-  
13 ciation, the Federal Home Loan Mortgage Cor-  
14 poration, the Federal Agricultural Mortgage  
15 Corporation, or other entity that in a bona fide  
16 manner is engaged in the business of buying or  
17 selling loans or interests therein, if such Asso-  
18 ciation, Corporation, or entity requires institu-  
19 tions from which it purchases loans (or other  
20 obligations) to comply substantially and materi-  
21 ally with the requirements of subsection (d),  
22 after final regulations under that subsection be-  
23 come effective; and

24 “(C) any person regularly engaged in the  
25 business of insuring or guaranteeing against a

1 default in the repayment of an extension of  
2 credit, or acting as a surety with respect to an  
3 extension of credit, to nonaffiliated parties.

4 “(3) FIDUCIARY CAPACITY.—The term ‘fidu-  
5 ciary capacity’ means acting for the benefit of a  
6 nonaffiliated person as a bona fide—

7 “(A) trustee;

8 “(B) executor;

9 “(C) administrator;

10 “(D) custodian;

11 “(E) guardian of estates;

12 “(F) receiver;

13 “(G) conservator;

14 “(H) committee of estates of lunatics; or

15 “(I) any similar capacity.

16 “(4) EXTENSION OF CREDIT.—The term ‘exten-  
17 sion of credit’ includes a lease finance transaction—

18 “(A) in which the lessor does not initially  
19 select the leased property and does not during  
20 the lease term control the daily operations or  
21 maintenance of the property; or

22 “(B) which conforms with regulations is-  
23 sued by the appropriate Federal banking agency  
24 (as defined in section 3 of the Federal Deposit

1 Insurance Act) or the appropriate State bank-  
2 ing regulatory authority.

3 “(5) INSURED DEPOSITORY INSTITUTION.—The  
4 term ‘insured depository institution’ has the same  
5 meaning as in section 3(c) of the Federal Deposit  
6 Insurance Act, and shall also include—

7 “(A) a federally insured credit union;

8 “(B) a bank or association chartered under  
9 the Farm Credit Act of 1971; and

10 “(C) a leasing or trust company that is an  
11 affiliate of an insured depository institution (as  
12 such term is defined in this paragraph).

13 “(6) RELEASE.—The term ‘release’ has the  
14 same meaning as in section 101(22), and also in-  
15 cludes the threatened release, use, storage, disposal,  
16 treatment, generation, or transportation of a hazard-  
17 ous substance.

18 “(7) HAZARDOUS SUBSTANCE.—The term ‘haz-  
19 ardous substance’ has the same meaning as in sec-  
20 tion 101(14).

21 “(8) SECURITY INTEREST.—The term ‘security  
22 interest’ includes rights under a mortgage, deed of  
23 trust, assignment, judgment lien, pledge, security  
24 agreement, factoring agreement, lease, or any other  
25 right accruing to a person to secure the repayment

1 of money, the performance of a duty, or some other  
2 obligation.

3 “(f) SAVINGS CLAUSE.—Nothing in this section shall  
4 affect the rights or immunities or other defenses that are  
5 available under this Act or other applicable law to any  
6 party subject to the provisions of this section. Nothing in  
7 this section shall be construed to create any liability for  
8 any party. Nothing in this section shall create a private  
9 right of action against a depository institution or lender  
10 or against a Federal banking or lending agency.

11 “(g) EFFECTIVE DATE.—This section shall become  
12 effective upon the date of its enactment.”.

13 (b) FEDERAL DEPOSIT INSURANCE ACT AMEND-  
14 MENT.—The Federal Deposit Insurance Act (12 U.S.C.  
15 1811 et seq.) is amended by adding at the end the follow-  
16 ing new section:

17 **“SEC. 44. FEDERAL BANKING AND LENDING AGENCY LI-**  
18 **ABILITY.**

19 “(a) GOVERNMENTAL ENTITIES.—

20 “(1) BANKING AND LENDING AGENCIES.—Ex-  
21 cept as provided in paragraph (2), a Federal bank-  
22 ing or lending agency shall not be liable under any  
23 law imposing strict liability for the release or threat-  
24 ened release of petroleum or a hazardous substance

1 at or from property (including any right or interest  
2 therein) acquired—

3 “(A) in connection with the exercise of re-  
4 ceivership or conservatorship authority, or the  
5 liquidation or winding up of the affairs of an  
6 insured depository institution, including any of  
7 its subsidiaries;

8 “(B) in connection with the provision of  
9 loans, discounts, advances, guarantees, insur-  
10 ance or other financial assistance; or

11 “(C) in connection with property received  
12 in any civil or criminal proceeding, or adminis-  
13 trative enforcement action, whether by settle-  
14 ment or order.

15 “(2) APPLICATION OF STATE LAW.—Nothing in  
16 this section shall be construed as preempting, affect-  
17 ing, applying to, or modifying any State law, or any  
18 rights, actions, cause of action, or obligations under  
19 State law, except that liability under State law shall  
20 not exceed the value of the agency’s interest in the  
21 asset giving rise to such liability. Nothing in this  
22 section shall be construed to prevent a Federal  
23 banking or lending agency from agreeing with a  
24 State to transfer property to such State in lieu of

1 any liability that might otherwise be imposed under  
2 State law.

3 “(3) LIMITATION.—Notwithstanding paragraph  
4 (1), and subject to section 107(d) of the Comprehen-  
5 sive Environmental Response, Compensation, and  
6 Liability Act of 1980, a Federal banking or lending  
7 agency that causes or significantly and materially  
8 contributes to the release of petroleum or a hazard-  
9 ous substance that forms the basis for liability de-  
10 scribed in paragraph (1), may be liable for removal,  
11 remedial, or other response action pertaining to that  
12 release.

13 “(4) SUBSEQUENT PURCHASER.—The immu-  
14 nity provided by paragraph (1) shall extend to the  
15 first subsequent purchaser of property described in  
16 such paragraph from a Federal banking or lending  
17 agency, unless such purchaser—

18 “(A) would otherwise be liable or poten-  
19 tially liable for all or part of the costs of the re-  
20 moval, remedial, or other response action due to  
21 a prior relationship with the property;

22 “(B) is or was affiliated with or related to  
23 a party described in subparagraph (A);

24 “(C) fails to agree to take reasonable steps  
25 necessary to remedy the release or threatened

1 release in a manner consistent with the pur-  
2 poses of applicable environmental laws; or

3 “(D) causes or materially and significantly  
4 contributes to any additional release or threat-  
5 ened release on the property.

6 “(5) FEDERAL OR STATE ACTION.—Notwith-  
7 standing paragraph (4), if a Federal agency or State  
8 environmental agency is required to take remedial  
9 action due to the failure of a subsequent purchaser  
10 to carry out, in good faith, the agreement described  
11 in paragraph (4)(C), such subsequent purchaser  
12 shall reimburse the Federal or State environmental  
13 agency for the costs of such remedial action. How-  
14 ever, any such reimbursement shall not exceed the  
15 full fair market value of the property following com-  
16 pletion of the remedial action.

17 “(b) LIEN EXEMPTION.—Notwithstanding any other  
18 provision of law, any property held by a subsequent pur-  
19 chaser referred to in subsection (a)(4) or held by a Federal  
20 banking or lending agency shall not be subject to any lien  
21 for costs or damages associated with the release or threat-  
22 ened release of petroleum or a hazardous substance known  
23 to exist at the time of the transfer.

24 “(c) EXEMPTION FROM COVENANTS TO REMEDI-  
25 ATE.—A Federal banking or lending agency shall be ex-

1   empt from any law requiring such agency to grant cov-  
2   enants warranting that a removal, remedial, or other re-  
3   sponse action has been, or will in the future be, taken with  
4   respect to property acquired in the manner described in  
5   subsection (a)(1).

6       “(d) DEFINITIONS.—For purposes of this section, the  
7   following definitions shall apply:

8           “(1) FEDERAL BANKING OR LENDING AGEN-  
9       CY.—The term ‘Federal banking or lending agency’  
10      means the Corporation, the Resolution Trust Cor-  
11      poration, the Board of Governors of the Federal Re-  
12      serve System, a Federal Reserve Bank, a Federal  
13      Home Loan Bank, the Office of the Comptroller of  
14      the Currency, the Office of Thrift Supervision, the  
15      National Credit Union Administration Board, the  
16      Farm Credit Administration, the Farm Credit Sys-  
17      tem Insurance Corporation, the Farm Credit System  
18      Assistance Board, the Farmers Home Administra-  
19      tion, the Rural Electrification Administration, and  
20      the Small Business Administration, in any of their  
21      capacities, and their agents.

22           “(2) HAZARDOUS SUBSTANCE.—The term ‘haz-  
23      ardous substance’ has the same meaning as in sec-  
24      tion 101(14) of the Comprehensive Environmental  
25      Response, Compensation, and Liability Act of 1980.



1           “(3) RELEASE.—The term ‘release’ has the  
 2           same meaning as in section 101(22) of the Com-  
 3           prehensive Environmental Response, Compensation,  
 4           and Liability Act of 1980, and also includes the  
 5           threatened release, use, storage, disposal, treatment,  
 6           generation, or transportation of a hazardous sub-  
 7           stance.

8           “(e) SAVINGS CLAUSE.—Nothing in this section shall  
 9           affect the rights or immunities or other defenses that are  
 10          available under this Act or other applicable law to any  
 11          party subject to the provisions of this section. Nothing in  
 12          this section shall be construed to create any liability for  
 13          any party. Nothing in this section shall create a private  
 14          right of action against a depository institution or lender  
 15          or against a Federal banking or lending agency.”.

## 16           **TITLE III—TECHNICAL AND** 17           **CONFORMING AMENDMENTS**

### 18           **SEC. 301. TRANSFERRED DEPOSITS.**

19          Section 3(n) of the Federal Deposit Insurance Act  
 20          (12 U.S.C. 1813(n)) is amended by striking “and as-  
 21          sumed” and inserting “or assumed”.

### 22           **SEC. 302. TECHNICAL AMENDMENT.**

23          Section 3(q)(2)(E) of the Federal Deposit Insurance  
 24          Act (12 U.S.C. 1813(q)(2)(E)) is amended by striking  
 25          “Depository” and inserting “Financial”.

1 **SEC. 303. CERTIFIED STATEMENTS.**

2 Section 7(a)(3) of the Federal Deposit Insurance Act  
3 (12 U.S.C. 1817(a)(3)) is amended by striking the third  
4 sentence and inserting the following new sentence: “Two  
5 dates shall be selected within the semiannual period of  
6 January to June inclusive, and two dates shall be selected  
7 within the semiannual period of July to December inclu-  
8 sive.”.

9 **SEC. 304. CROSS REFERENCE CORRECTION.**

10 Section 8(o) of the Federal Deposit Insurance Act  
11 (12 U.S.C. 1818(o)) is amended in the second sentence  
12 by striking “subsection (b)” and inserting “subsection  
13 (d)”.

14 **SEC. 305. COURT COSTS; BONDS; FILING FEES.**

15 Section 9(b)(4) of the Federal Deposit Insurance Act  
16 (12 U.S.C. 1819(b)(4)) is amended to read as follows:

17 “(4) BONDS OR FEES.—The Corporation shall  
18 not be required to—

19 “(A) post any bond or security to—

20 “(i) initiate or respond to any action  
21 for a temporary restraining order or an in-  
22 junction; or

23 “(ii) pursue any appeal;

24 “(B) pay any filing fees in United States  
25 district courts, bankruptcy courts, or courts of  
26 appeal; or

1           “(C) pay any fees for service of process by  
2           the United States Marshal.”.

3   **SEC. 306. DELETION OF OBSOLETE PROVISION.**

4           Section 18(g)(1) of the Federal Deposit Insurance  
5   Act (12 U.S.C. 1828(g)(1)) is amended by striking out  
6   everything beginning with “During the period commencing  
7   on October 15, 1968,” through the period at the end.

8   **SEC. 307. FEDERAL RESERVE ACT AMENDMENT.**

9           Section 2 of the Federal Reserve Act (12 U.S.C. 222)  
10   is amended in the sixth sentence of the first paragraph  
11   by inserting “, after receiving approval from the Board  
12   of Directors of the Federal Deposit Insurance Corporation  
13   pursuant to section 5(a) of the Federal Deposit Insurance  
14   Act,” before “thereupon”.

15   **SEC. 308. ANNUAL REPORT OF APPRAISAL SUBCOMMITTEE.**

16           Section 1103(a)(4) of the Federal Financial Institu-  
17   tions Examination Council Act of 1978 (12 U.S.C.  
18   3332(a)(4)) is amended by striking “January” and insert-  
19   ing “March”.

20   **SEC. 309. INSURANCE OF BRIDGE BANKS.**

21           Section 5(a)(3) of the Federal Deposit Insurance Act  
22   (12 U.S.C. 1815(a)(3)) is amended—

23           (1) by amending the heading to read as follows:

24           “APPLICATION AND APPROVAL NOT REQUIRED IN  
25           CERTAIN CASES.—”; and

1           (2) by inserting “any bridge bank or” before  
2           “any depository institution”.

3   **SEC. 310. ADDITIONAL TECHNICAL AMENDMENTS TO THE**  
4                           **FEDERAL BANKING AND HOUSING LAWS.**

5           (a) FEDERAL DEPOSIT INSURANCE ACT AMEND-  
6   MENTS.—The Federal Deposit Insurance Act (12 U.S.C.  
7   1811 et seq.) is amended—

8           (1) in section 3—

9                   (A) in subsection (i)(1), by striking  
10           “(11)(h)” and inserting “(11)(m)”; and

11                   (B) in subsection (j)(4), by striking  
12           “bank’s” and inserting “a bank’s”;

13           (2) in section 5(b)(5), by striking the semicolon  
14           at the end and inserting a comma;

15           (3) in section 5(e)(4), by redesignating clauses  
16           (i) and (ii) as subparagraphs (A) and (B);

17           (4) in section 7(a)(3), by striking “Chairman of  
18           the” before “Director of the Office of Thrift Super-  
19           vision”;

20           (5) in section 7(j)(2)(A), in the third sen-  
21           tence—

22                   (A) by striking “this section (j)(2)” and  
23           inserting “the preceding 2 sentences”; and

24                   (B) by striking “this subsection (j)(2)”  
25           and inserting “the preceding 2 sentences”;

1           (6) in section 7(j)(7)(A), by striking  
2           “monopolize” and inserting “monopolize”;

3           (7) in section 7(l)(7), by striking “the ratio of  
4           the value of” and inserting “the ratio of”;

5           (8) in section 7(m)(5)(A) by striking “savings  
6           association institution” and inserting “institution”;

7           (9) in section 7(m)(7), by inserting “the” be-  
8           fore “Federal”;

9           (10) in section 8(a)(3), by striking “subpara-  
10          graph (B)” and inserting “paragraph (2)(B)”;

11          (11) in section 8(a)(7)—

12                (A) by inserting a comma after “Board of  
13                Directors”; and

14                (B) by striking “the period the period”  
15                and inserting “the period”;

16          (12) in section 8(b)(4), by striking “subpara-  
17          graph (3) of this subsection” and inserting “para-  
18          graph (3)”;

19          (13) in section 8(b)(6)(F), by inserting “appro-  
20          priate Federal” before “banking agency”;

21          (14) in section 8(c)(2), by striking “injunction”  
22          and inserting “injunction”;

23          (15) in section 8(g)(2), by striking “depository  
24          institution” each place it appears and inserting  
25          “bank”;

1           (16) in section 8(o), by striking “board of direc-  
2           tors” each place it appears and inserting “Board of  
3           Directors”;

4           (17) in section 8(p), by striking “banking” each  
5           place it appears and inserting “depository”;

6           (18) in section 8(r)(2), by striking “therof” and  
7           inserting “thereof”;

8           (19) in section 10(b)(1), by striking “claim”  
9           and inserting “claims”;

10          (20) in section 10(b)(2)(B), by inserting “and”  
11          at the end;

12          (21) in section 11(d)(2)(B)(iii), by striking “is”  
13          and inserting “are”;

14          (22) in section 11(d)(8)(B)(ii), by inserting  
15          “provide” before “a statement”;

16          (23) in section 11(d)(14)(B), by striking “stat-  
17          ute of limitation” and inserting “statute of limita-  
18          tions”;

19          (24) in section 11(d)(16)(B)(iv), by striking  
20          “dispositions” and inserting “disposition”;

21          (25) in section 11(e)(8)(D)(v)(I), by inserting a  
22          closing parenthesis after “1934”;

23          (26) in section 11(e)(12)(B), by striking “direc-  
24          tors or officers” and inserting “director’s or offi-  
25          cer’s”;

1 (27) in section 11(f)(3)(A), by striking “TO” in  
2 the heading and inserting “WITH”;

3 (28) in section 11(i)(3)(A), by striking “other  
4 claimant or category or claimants” and inserting  
5 “other claimant or category of claimants”;

6 (29) in section 11(n)(4)(E)(i), by inserting  
7 “and” at the end;

8 (30) in section 11(n)(12)(A), by striking “sub-  
9 paragraphs” and inserting “subparagraph”;

10 (31) in the second sentence of section 11(q)(1),  
11 by striking “decided” and inserting “held”;

12 (32) in section 13(c)(1)(B), by striking “a in  
13 default insured bank” and inserting “an insured  
14 bank in default”;

15 (33) in section 13(c)(2)(A)—

16 (A) by striking “another” and inserting  
17 “an”;

18 (B) by striking “with an insured institu-  
19 tion” and inserting “with another insured de-  
20 pository institution”; and

21 (C) by striking “by an insured institution”  
22 and inserting “by another insured depository  
23 institution”;

1           (34) in section 13(f)(2)(B)(i), by striking “the  
2           in default insured bank” and inserting “the insured  
3           bank in default”;

4           (35) in section 13(f)(2)(B)(iii), by striking “of  
5           of” and inserting “of”;

6           (36) in section 13(f)(3), by striking “CLOSING”  
7           in the heading and inserting “DEFAULT”;

8           (37) in section 13(f)(6)(A), by striking “bank  
9           that has in default” and inserting “bank that is in  
10          default”;

11          (38) in section 13(f)(6)(B)(i), by striking the  
12          semicolon at the end and inserting a period;

13          (39) in section 13(f)(7)—

14                (A) in subparagraph (A), by striking “or”  
15                at the end; and

16                (B) in subparagraph (B), by striking the  
17                period at the end and inserting “; or”;

18          (40) in section 13(f)(12)(A), by striking “is less  
19          than” and inserting “are less than”;

20          (41) in section 15(c)(1), by striking “OBLIGA-  
21          TIONS LIABILITIES” in the heading and inserting  
22          “OBLIGATIONS, GUARANTEES, AND LIABILITIES”;

23          (42) in section 18(b), by striking “if such  
24          bank” and inserting “if such insured depository in-  
25          stitution”;



1           (43) in section 18(c)(1)(B), by inserting “or”  
2       at the end;

3           (44) in section 18(c)(4), by striking “other two  
4       banking agencies” each place it appears and insert-  
5       ing “other Federal banking agencies”;

6           (45) in section 18(c)(6), by striking “other two  
7       banking agencies” and inserting “other banking  
8       agencies”;

9           (46) in section 18(c)(9), by striking “with the  
10      following information:” and inserting “with—”;

11          (47) in section 18(f)—

12                (A) by striking “such bank” and inserting  
13                “such insured depository institution”; and

14                (B) by striking “the bank” and inserting  
15                “the insured depository institution”;

16          (48) in section 18(k)(4)(A)(ii)(II), by striking  
17      “or” at the end;

18          (49) in section 20(a)(3), by inserting “or” at  
19      the end;

20          (50) in section 21(c), by striking “the bank”  
21      and inserting “the insured depository institution”;

22          (51) in section 21(d)(2), by striking “the bank”  
23      and inserting “the insured depository institution”;

24          (52) in section 21(e), by striking “the bank”  
25      and inserting “the insured depository institution”;

1           (53) in section 25(a), by striking “the bank”  
2       each place it appears and inserting “the depository  
3       institution, insured branch, or bank”;

4           (54) in section 28(c)(2)(A)(i) by striking “, or”  
5       and inserting “; or”;

6           (55) in section 28(d)(4)(C), by striking “sub-  
7       paragraphs” and inserting “subparagraph”;

8           (56) in section 28(e)(4), “any other” and in-  
9       serting “and any other”;

10          (57) in section 30(e)(1)(A), by striking “vend-  
11       ers” and inserting “vendors”;

12          (58) in section 31(b)(1), by striking “Board of  
13       Directors” and inserting “board of directors”;

14          (59) in section 33(c)(1), by striking the comma  
15       at the end and inserting a semicolon;

16          (60) in section 34(a)(1)(A)(iii), by striking  
17       “and” and inserting “or”;

18          (61) in section 34(a)(2), by inserting the period  
19       at the end;

20          (62) in section 38(f)(6), by striking  
21       “Commissison” and inserting “Commission”;

22          (63) in section 40(c)(4)(A), by striking “sub-  
23       sections (p)(12)(B) and (C)” and inserting “sub-  
24       paragraphs (B) and (C) of subsection (p)(12)”;

1           (64) in section 40(d)(8)(A), by striking “meet-  
2           ing” and inserting “meeting the”.

3           (b) FEDERAL HOME LOAN BANK ACT.—Section 21A  
4 of the Federal Home Loan Bank Act (12 U.S.C. 1441a)  
5 is amended—

6           (1) in subsection (a), by inserting in the head-  
7           ing “THRIFT DEPOSITOR PROTECTION” before  
8           “OVERSIGHT BOARD”;

9           (2) in subsection (a)(6)(C), by inserting a pe-  
10          riod at the end;

11          (3) in subsection (a)(11), by striking “United  
12          States District Court” and inserting “United States  
13          district court”;

14          (4) in subsection (b)(11)(B)(iii), by striking the  
15          comma after “chapter 5”;

16          (5) in subsection (b)(11)(E)(iv)(II), by striking  
17          “knowledgable” and inserting “knowledgeable”;

18          (6) in subsection (b)(11)(G), by inserting “AD-  
19          VISORY PERSONNEL.—” before “The Corporation  
20          shall”;

○

S 1124 IS—2

S 1124 IS—3

S 1124 IS—4

S 1124 IS—5